



Accelerating Delivery System Reform in Virginia Medicaid

Informational Session

April 18, 2016

Agenda

- ☒ Introduction
- ☐ DSRIP Overview
- ☐ Medicaid Overview
- ☐ Virginia DSRIP Vision
- ☐ Key Takeaways
- ☐ Q&A

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Delivery System Reform

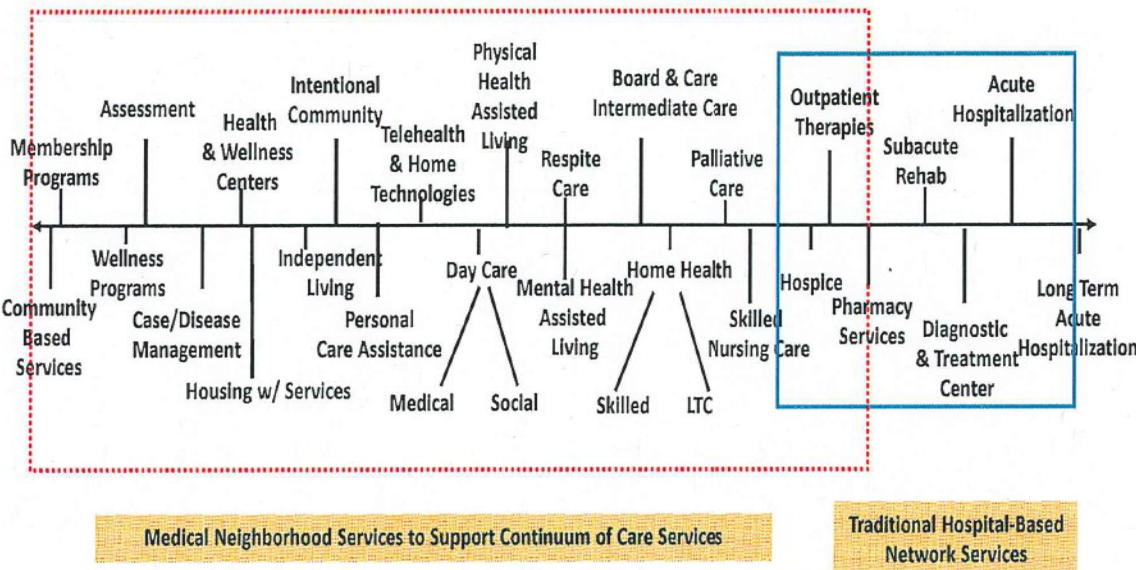
States are engaged in an array of multi-payer delivery system reform efforts and the impact is across the entire continuum of care

What is a Delivery System?

Combination and organization of providers, health care settings, and resources that deliver health care services to meet the health needs of the Medicaid populations

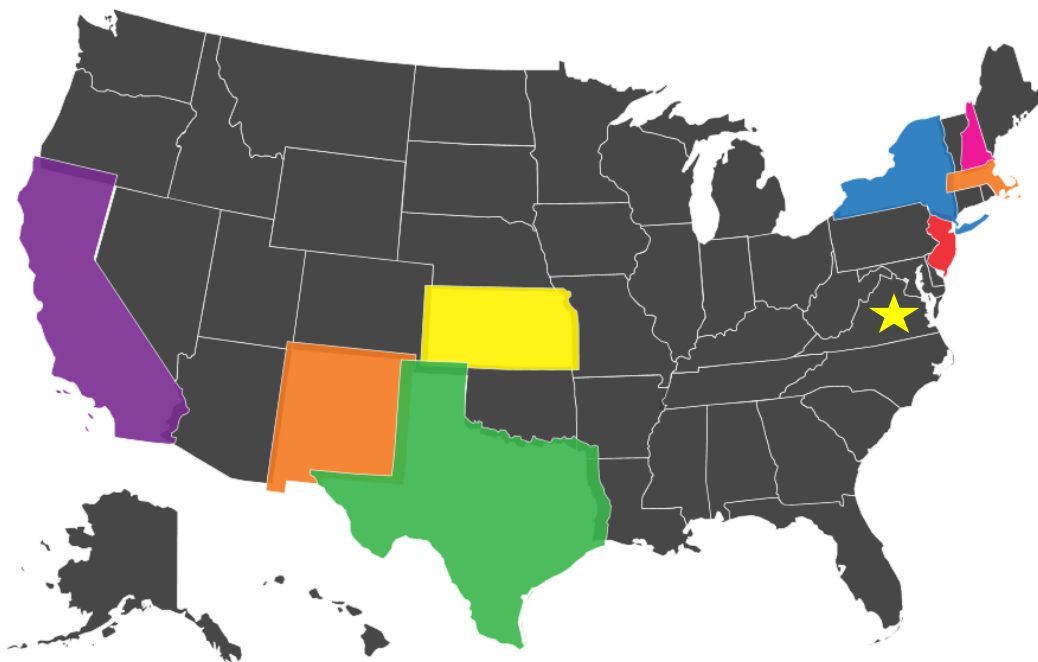
What is DSRIP?

“Delivery System Reform Incentive Payment” or DSRIP programs are another piece of the dynamic and evolving Medicaid delivery system reform landscape



DSRIP Programs

Medicaid delivery system reform has been underway for many years. Overarching goal is to transform the Medicaid payment and delivery system to achieve measurable improvements in quality of care and overall Medicaid population health.



Each state is different

- **California** – 2010 with hospital focus
- **Massachusetts** – 2011 with hospital focus
- **Texas** – 2012 with broader provider focus (Regional Healthcare Providers)
- **New Mexico** – 2012 with hospital quality focus
- **New Jersey** – 2014 with hospital focus
- **Kansas** – 2014 with hospital focus
- **New York** – 2014 with broader provider focus (Performing Provider Systems)
- **New Hampshire** – 2016 with a focus on BH and community providers

What is DSRIP?

- Delivery System Reform Incentive Payment (DSRIP) program is an innovation Medicaid waiver focused on enabling states to transform their Medicaid delivery system
- The purpose of DSRIP is to provide financial incentives to achieve Medicaid delivery system transformation through:
 - Infrastructure Development
 - System Redesign
 - Clinical Outcome Improvements
 - Population Focused improvements
- Funding is for eligible providers to support implementation of the infrastructure improvements to achieve the State's goals (must include readiness for payment reform)
- DSRIPs are NOT grant programs, they are performance based incentive programs. Funding is based on achievement of pre-determined measures (process measures and outcome measures).

DSRIP: Frequently Asked Questions

What is DSRIP?

- ✓ **Medicaid waiver** to access federal dollars to invest in transformation of the Medicaid delivery system. DSRIP program is a performance-based incentive program.
- ✓ One-time, 5 year investment
- ✓ CMS expects movement to Value Based Payment
- ✓ Program must be for **current Medicaid population**
- ✓ Investments are for Providers – focus on where care is delivered
- ✓ Investments for infrastructure only:
 - ✓ provider organizations (governance, accountability, risk sharing models)
 - ✓ new processes and technology
 - ✓ training programs
 - ✓ new business capabilities

What DSRIP is not...

- ✗ **DSRIPs are not grant programs**. There is no DSRIP “application” from the federal government
- ✗ DSRIP cannot replicate other states’ DSRIP programs
- ✗ DSRIP cannot support **non-Medicaid population** (ex: uninsured)
- ✗ CMS has not allowed DSRIP funding to go directly to MCOs
- ✗ Investments **cannot** be used directly for:
 - ✗ new health care services (ex: dental)
 - ✗ new populations
 - ✗ bricks and mortar
 - ✗ housing (ex: rent)

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Overview: Virginia Medicaid

Virginia's Medicaid Program Key Facts



Virginians covered by Medicaid/CHIP



50%

Medicaid beneficiaries are children



1 in 8

Virginians rely on Medicaid



1 in 3

Births in Virginia



55%

Long-Term Services & Supports spending is in the community

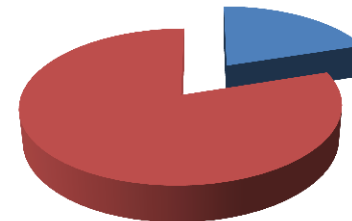


LTSS & Behavioral Health Services

Medicaid is the Primary Payer

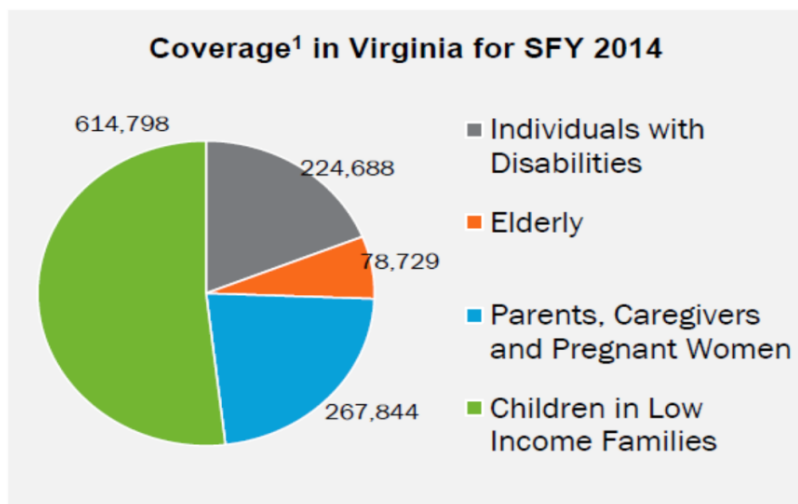
75% are in Managed Care

Started in 1996

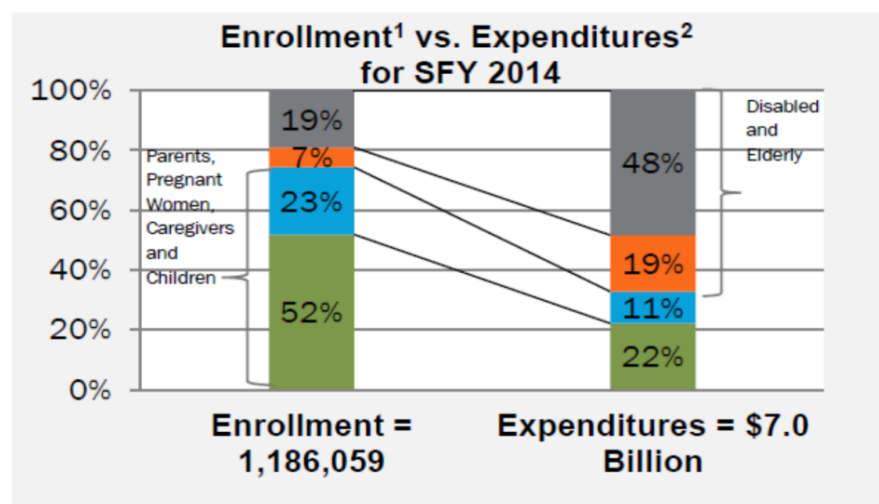


Overview: Virginia Medicaid

Virginia's Medicaid population breakdown and expenditures



Medicaid coverage is primarily available to Virginians who are children in low-income families, pregnant women, elderly, individuals with disabilities and parents meeting specific income thresholds.

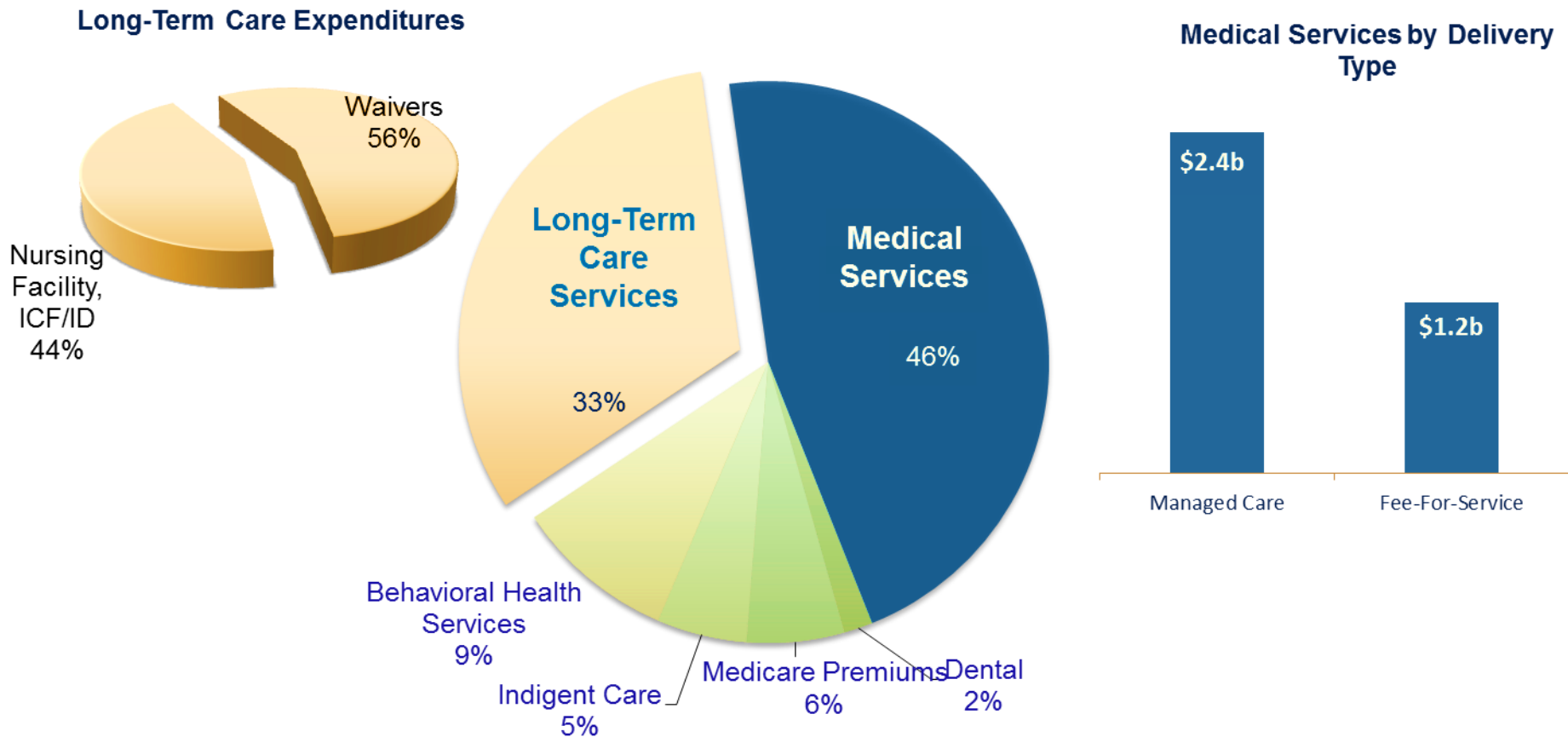


¹Coverage and enrollment numbers show the total annual unduplicated enrollments for Virginia's Title XIX program
²Expenditures represent claims expenditures for Virginia's Title XIX program

Medicaid expenditures are disproportionate to covered populations. Seniors and individuals with disabilities make up over 25% of the total population, yet almost 70% of expenditures are attributed to this group.

Overview: Virginia Medicaid

Virginia's Medicaid Expenditures Breakdown



Overview

Summary of Virginia Medicaid Home and Community-Based Services (HCBS) Waivers

HCBS Waiver	Elderly and Disabled	Intellectual Disability	Developmental Disability	Technology Assisted	Day Support	Alzheimer's
Approved Slots	No cap	10,717	1,053	513	300	200
Current Enrollment	32,386	10,335	999	287	272	57
Wait List	-	8,123	2,118	-	-	-
Average Cost	\$17,614	\$68,194	\$31,290	\$81,690	\$13,957	\$11,457
FY 2015 Expenditures	\$612.1 million	\$693.8 million	\$28.6 million	\$29.7 million	\$3.8 million	\$0.8 million
Primary Services	Personal Care, Respite Care	Congregate Residential In-Home Residential Support	Personal Care, In-Home Residential Support	Private Duty Nursing	Day Support	Assisted Living

Managed Care

Managed Care Basics

- DMAS contracts with managed care organizations (MCO)
- DMAS pays a per-member per-month (PMPM)
- MCOs contract with providers and pay claims
- 75% of Virginia Medicaid Enrollees
- State-wide for Medallion 3 program



Benefits of Managed Care

- Broader provider network
- More flexible – can include services that cannot be provided in fee-for-service
- Actuarial soundness to ensure rates are not too low
- Navigation through system
- Medicaid no longer a “welfare program” – it is health coverage
- Private sector shares risk with government

Managed Care

Management of Medicaid population has been an ongoing and evolving process over the last 20 years

Programs to Date

Efforts in Progress

Future

Population focused – improving care and costs for broader population groups

- ✓ Managed Care (full-risk):
 - Pregnant Women & Children (1996)
 - ABD (1996)
 - ALTC (2007)
 - PACE (2006)
 - Statewide Coverage (2012)
- ✓ Waivers – HCBS (1980's)
- ✓ Magellan – BHSA (2013)
- ✓ CCC Demo (2014)

Innovation efforts and additional programs – improve care for complex population

- ☐ Pilots (BH homes in MCOs, 2014 & 2015)
- ☐ MLTSS
- ☐ DSRIP
- ☐ SUD
- ☐ ID/DD System Redesign
- ☐ Brain Injury Population Programs
- ☐ IAP - BCN

Major delivery system reform

- ☐ VIPs through DSRIP – Provider partnerships focused on super-utilizers/high-risk beneficiaries
- ☐ Provider-led Care Management – high-touch, person-centered care
- ☐ Moving from population-based to needs-based service delivery model
- ☐ Full-risk managed care & shared-risk with providers

Opportunity

Accelerate transformation of how care is delivered and paid for in Virginia's Medicaid delivery system



Alignment of MLTSS and DSRIP creates a powerful opportunity to strengthen and integrate care delivery

1. Virginia Medicaid's community delivery structure (One Community)
2. Payment reforms toward value-based purchasing

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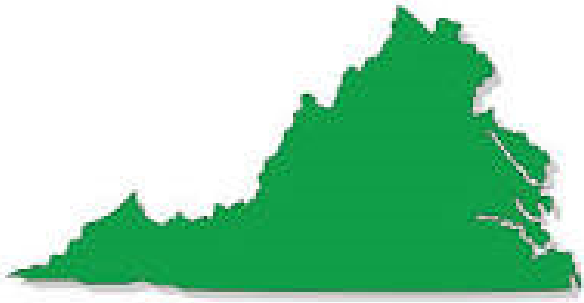
DSRIP: Driving Transformation

Delivery System Reform Incentive Payment (DSRIP) Program is a 5 year innovation program where Virginia has the unique opportunity to invest in our Medicaid infrastructure.



Current Challenge: Disparate Community Capacity

Virginia needs to strengthen the availability of community resources



Indicators of Community Capacity Challenges

Workforce:

- Primary care professionals lack behavioral health knowledge
- Behavioral health professionals lack primary care knowledge
- Less than one psychiatric nurse practitioner per region

Crisis Management:

- Insufficient resources for children and adults to mitigate escalation that leads to avoidable hospitalization

Access:

- Lack of access to community resources throughout the state, and compounded issues to accessibility in various communities

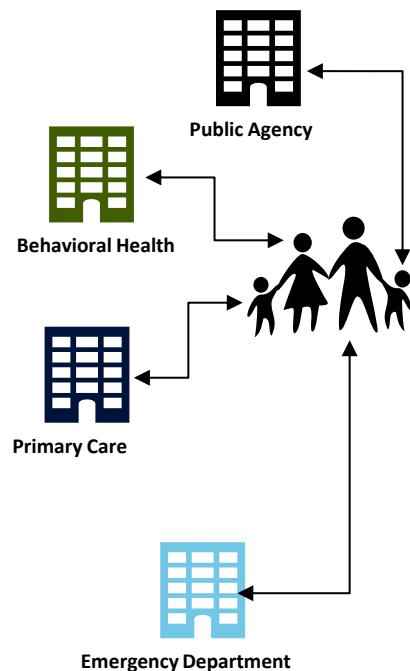
Institutionalization:

- Often either the only resort for care or the path of least resistance

Current Challenge: Limited Clinical and Data Integration

Virginia lacks the integrated clinical and social data infrastructure to optimally serve Medicaid beneficiaries

Traditional Program-Focused Model



Indicators of Lack of Clinical and Data Integration

Missing Information to Measure Outcomes:

- Lack of right data to measure outcomes
- Mostly limited one-way interfaces

Fragmented Care Delivery:

- Limitations in optimally providing person-centered coordinated care
- Siloed care teams (including across public and private providers for medical and social services)
- Behavioral and medical care is not integrated
- Disjointed care transitions between care settings
- Challenging to establish and maintain home and community based services

Timely Care in Most Appropriate Settings:

- Over reliance on Emergency Departments and institutional care

Current Challenge: Pay for Volume Instead of Value

Virginia's Medicaid structure pays providers based on utilization

Indicators of Inefficiencies in Payment System

Utilization:

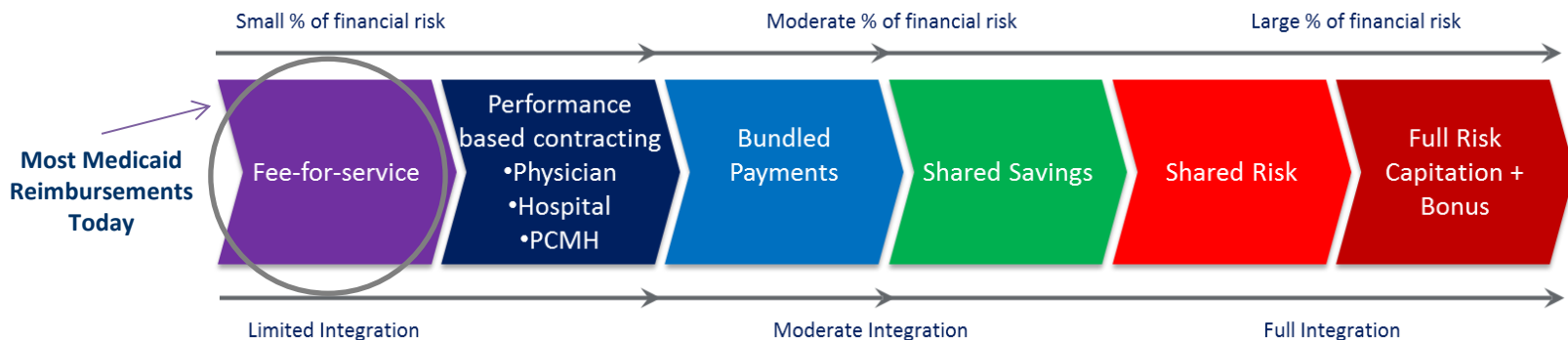
- Most Medicaid reimbursement is currently tied to utilization and rather than outcomes

Provider Readiness for Alternative Payment Models:

- Current system is set up to primarily support Fee For Service models
- Processes, data, and technology does not currently support alternative payment models

Alignment of Financial Incentives:

- Limited incentives in place for interdisciplinary community-based care



DSRIP: Goals

DSRIP presents a strategic opportunity for Virginia's Medicaid program. The innovation focus areas have the potential to achieve significant lasting results

Virginia's DSRIP Innovation Areas

Increase delivery system efficiency

Improve care delivery for Medicaid enrollees-especially those with complex needs

Implement Medicaid payment reform-pay for value vs. volume

Results

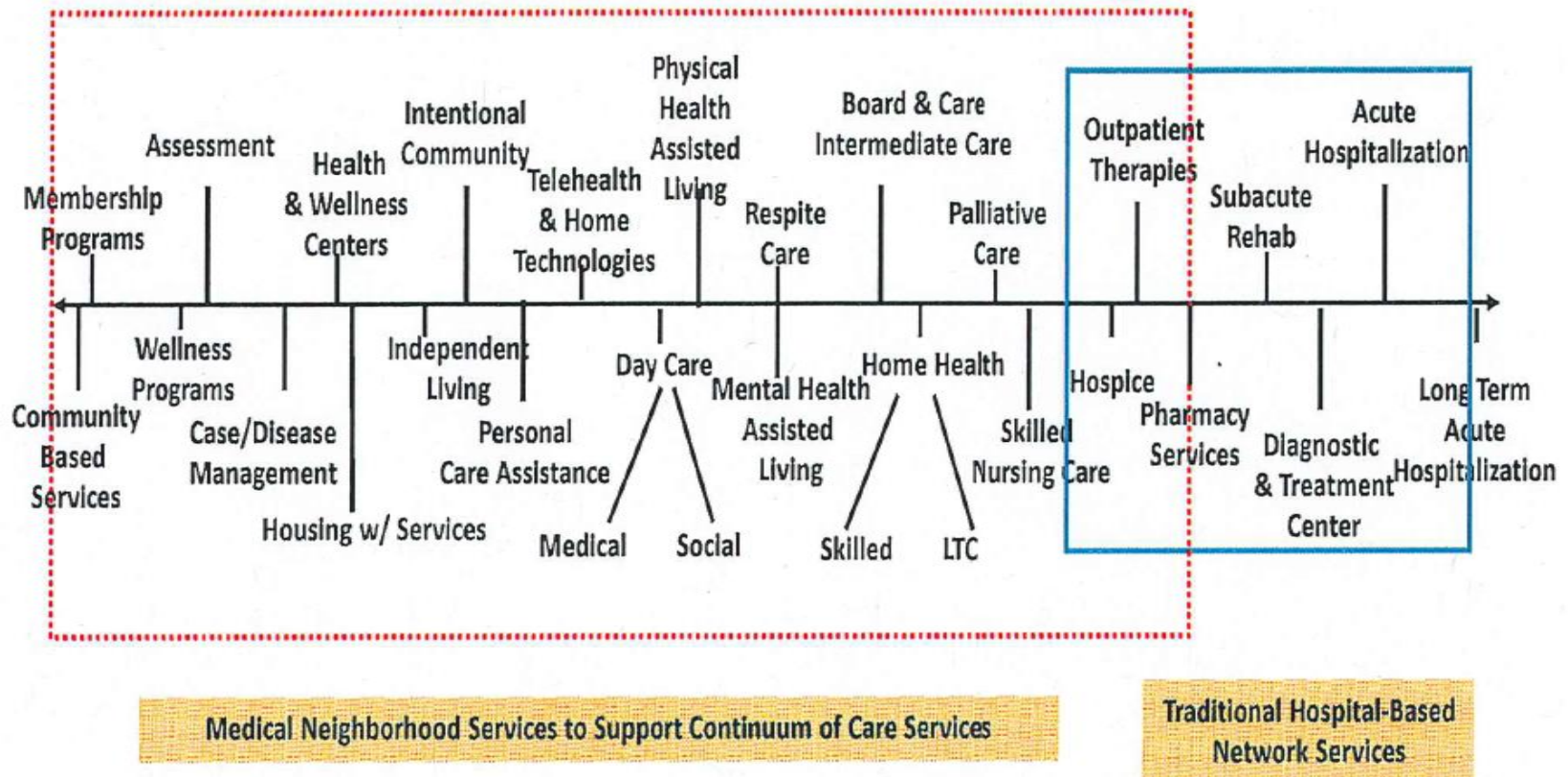
**Goal 1: Improved
Beneficiary Health**

**Goal 2: Improved
Beneficiary Experience**

**Goal 3: Bend the Cost
Curve**

DSRIP Transformation Strategy

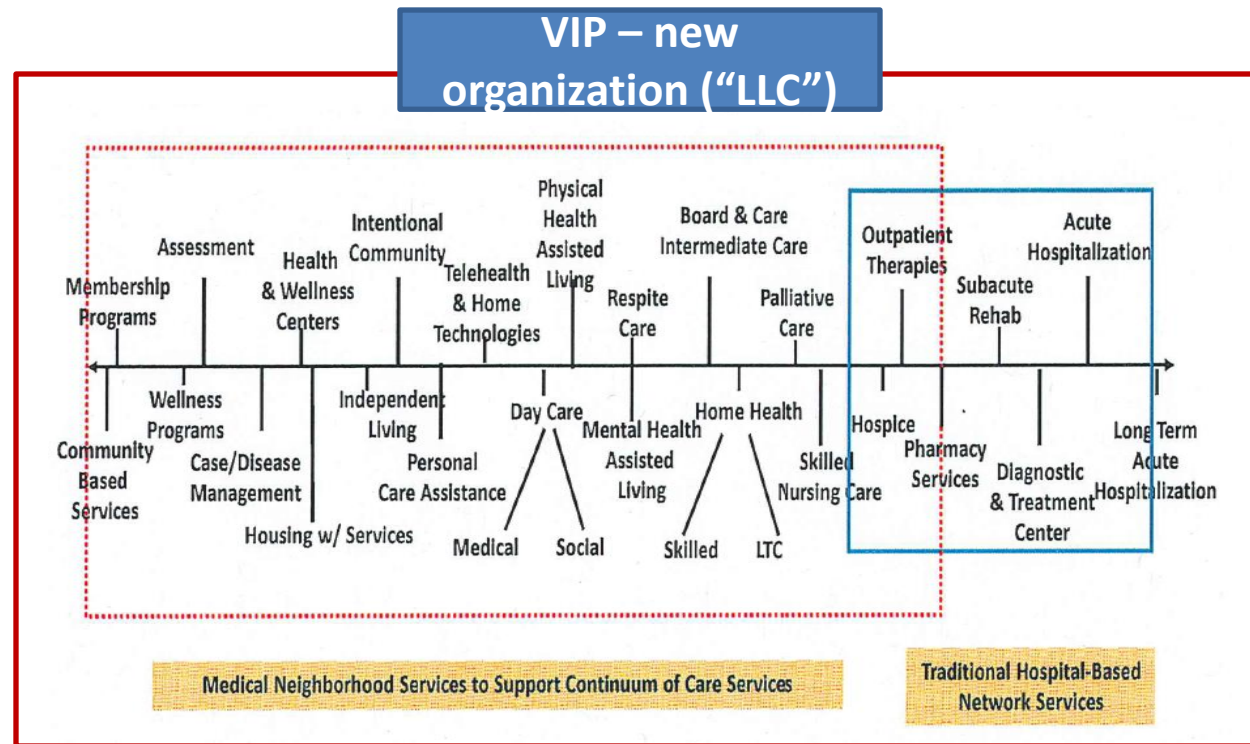
Focus is on the entire continuum of care and our complex Medicaid beneficiaries



DSRIP Transformation Strategy

Transformation is achieved through formation of new provider partnerships (VIPs) that work in concert with MCOs

Focus on
super-
utilizers and
emerging
high-risk



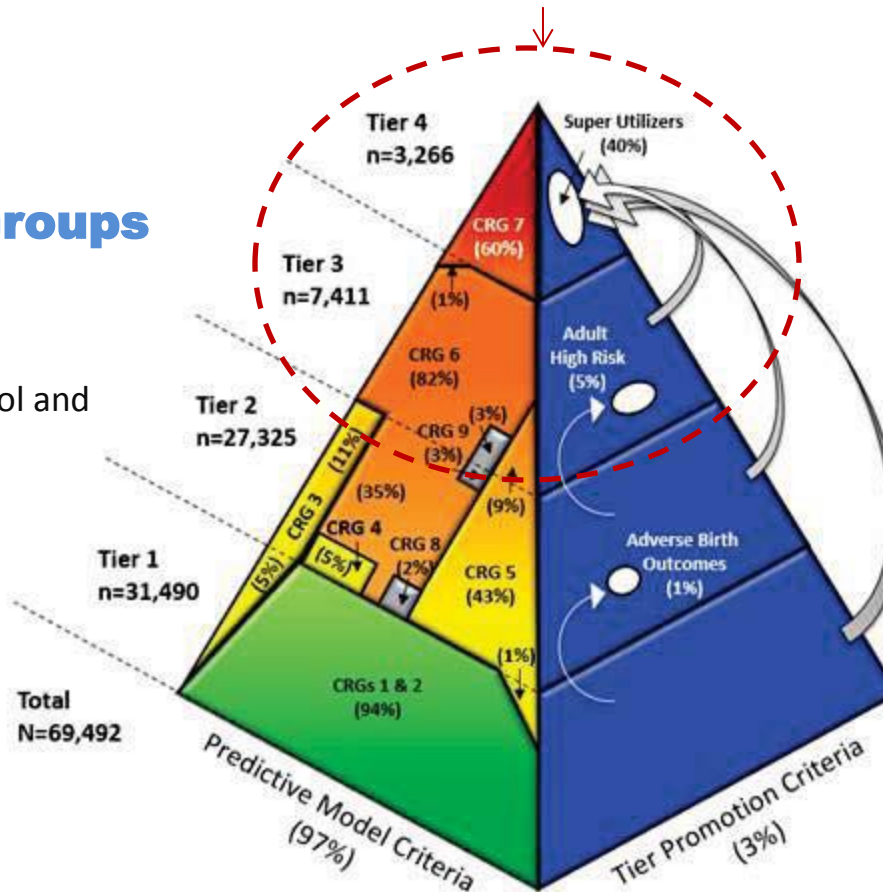
**VIP Infrastructure (accounting, finance, contract mgmt)
provided by “Coordinating Entity”**

Who are the super-utilizers and emerging high-risk beneficiaries?

Super-utilizers & emerging high-risk

Clinical Risk Groups

- Primary basis for tier assignment
- 3M CRG Software
- Predictive modeling tool and diagnosis grouper
- Monthly run



Utilization criteria may override CRG assigned-tier

- Overlay criteria for “tier promotion”
- Clinical insight based
- Front-line clinical teams
- Daily run

Citation: Johnson T, Estacio R, Vlasimshy T et al, “Augmenting Predictive Modeling Tools with Clinical Insights for Care Coordination Program Design and Implementation” eGEMS(Generating Evidence & methods to improve patient outcomes). August 2015 Vol 3:1(14)

Example Projects

Achieve our DSRIP goals through specific projects..

“...health care redesign can produce better care for patients, while improving clinical and financial performance for health systems.”
-U.S. Agency for Healthcare Research and Quality's (AHRQ)

Clinical integration

- Integrating behavioral and medical health services with bi-directional coordination
- Integrating social determinants of health into medical care
- Strong transitions between care settings

System Transformation

- Establishing data pathways among VIP partners and others within the continuum of care
- Emergency department information system

Financial Alignment

- Providers transitioning to alternative payment models with VIPs
- New funding streams for community-based services within the continuum of care

DSRIP Hypotheses

Goal		Hypothesis	Potential Measures
1	Improve Beneficiary Health	Focus on prevention and better coordination of medical, behavioral health, and social care will improve individual and population health.	<ul style="list-style-type: none"> • ↓ All-cause ED visits and inpatient admissions among high-risk beneficiaries
2	Improve Beneficiary Experience	Increasing community capacity and system linkages among medical, behavioral health, and community-based organizations will improve the patient experience.	<ul style="list-style-type: none"> • ↑ Access to traditional and non-traditional services • ↓ Number of Medicaid beneficiaries in institutional settings • ↑ Patient satisfaction
3	Bend Cost Curve	Investment in robust data sharing capabilities and shift towards alternative payment models will increase performance across the continuum of care.	<ul style="list-style-type: none"> • Bend Cost Curve • ↑ Provider efficiency • ↑ Patient satisfaction

Next Steps

DSRIP Programs presents a tremendous opportunity for Virginia

DMAS will invest in provider infrastructure and supports in order for providers, payers, health plans, and the Department to succeed in the shift toward a new model of care and Medicaid payment models.

Negotiations with CMS

- Special Terms and Conditions

DSRIP Program Design

- MCO Partnership
- Virginia Integration Partners
- Roadmap to Value Based Payments

Planning and Preparations

- Project Management
- Project Menu

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Key Takeaways

Increasing awareness of Virginia's transformative DSRIP program will help communities:

Leverage Benefits

- DSRIP will strengthen community capacity across the continuum

Engage

- Now is the time to learn more about delivery system reform
- You may be approached by a coordinating entity to participate in a VIP

Continue Learning

- DSRIP is in early development and design stage
- Information posted to DMAS webpage:
 - <http://www.dmas.virginia.gov/Content/pgs/dsrip.aspx>

DMAS will invest in provider infrastructure and supports in order for providers, payers, health plans, and the Department to succeed in the shift toward a new model of care and Medicaid payment models.

Timeline

2016

2017
DY 1

2018
DY 2

2019
DY 3

2020
DY 4

2021
DY 5

KEY DSRIP MILESTONES

CMS discussions & negotiation

Application pending approval

Shared learning begins

MLTSS launch

VIPs establish with all providers

VIP partner with MCOs

Project Selection

MLTSS rollout complete

Baseline measures identified

Implement DSRIP projects

MLTSS program monitoring

Projects underway

Baseline data established

Data analysis underway

Alternative payments

MLTSS: monitor & enhance

DSRIP projects: continue & enhance

Alternative payment further developed







MLTSS: monitor & enhance

MLTSS program evaluation

Project wrap up & evaluation

Sustainability plan in place

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